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**Groupe**  
**L'OCCITANE**  
**L'OCCITANE INTERNATIONAL S.A.**  
*49, Boulevard Prince Henri L-1724 Luxembourg*  
*R.C.S. Luxembourg: B80359*  
*(Incorporated under the laws of Luxembourg with limited liability)*  
**(Stock code: 973)**

**CONNECTED TRANSACTION**  
**DISPOSAL OF GROWN ALCHEMIST**

The Board hereby announces that, on 28 March 2024 (after trading hours), the Company entered into the Disposal Agreement, pursuant to which the Company will sell and transfer the Target Interests to the Purchaser (being the Disposal), the Company will cease to hold any interest in the Target and Grown Alchemist, and the Target and Grown Alchemist will cease to be a subsidiary of, and will be deconsolidated from, the Group.

Set out below is a summary of the principal terms and conditions of the Disposal Agreement with respect to the Company:

**Date:** 28 March 2024.

**Parties:** (i) the Company  
(ii) Purchaser

**Target Interests:** All of the interests held, directly and indirectly, by the Company in Grown Alchemist.

**Consideration and Basis of Consideration for the Acquisition:** The consideration for the Acquisition of equity interest and financing loans is EUR28,352,809, payable in cash on or before 30 September 2024.

The consideration was determined after arm's length negotiations between the Company and the Purchaser. In negotiating the consideration, the Company had regard to the following factors:

- (i) the consideration of EUR5,032,820.40 paid by the Company to acquire an initial 49.24% equity interest in the Target (which held 65% of the equity interest and voting rights of Grown Alchemist) on 1 April 2022 (further set out in the Company's announcement dated 24 March 2022);
- (ii) the consideration of EUR10,061,000 paid by the Company to acquire the remaining 35% equity interest and voting rights of Grown Alchemist from non-connected persons of the Company on 11 May 2023;
- (iii) the consideration of EUR231,835 and EUR234,500 paid by the Company to acquire 2.08% and 2.08% equity interest in the Target (which held 65% of the equity interest and voting rights of Grown Alchemist) on 31 May 2023 and 2 November 2023, respectively;
- (iv) the business operations of Grown Alchemist, including the historical financial performance of the business;

- (v) the reasons for and benefits of the Disposal (as set out in “Reasons for and Benefits of the Disposal” below);
- (vi) a breakeven analysis of Grown Alchemist, based on annualising and extrapolating the business and operating performance of Grown Alchemist since its commencement of operations, taking into account, among other factors, the net asset value and income generated in the last two financial years (as set out in “Information About the Parties-Target and Grown Alchemist” below), amounts invested and debt incurred by Target and Grown Alchemist, depreciation of assets of Grown Alchemist (such as retail stores, infrastructure and IT), business development of Grown Alchemist to date and anticipated growth potential going forward, industry changes and key market saturation trends, inflation trends and consumer spending habits in applicable key developed geographies;
- (vii) the acquisition and financial performance of a similar business (This Works Products Limited, a body/skin care brand with a similar strategic business plan to Grown Alchemist which also has yet to generate profit), and the enterprise value to revenue ratio thereof; and
- (viii) the strategic reasons for the Disposal, as further explained in “Reasons for and Benefits of the Disposal” below.

**Conditions:**

The closing conditions include:

- obtaining all relevant corporate approvals, constitutional amendments, and necessary consents and authorisations to effect the equity transfer of the Target Interest; and
- there being no actual or reasonably foreseeable occurrence of a material adverse impact on the Target (including its financials and business operations).

**Closing date:**

28 March 2024.

Other than as disclosed above, the Disposal Agreement contains no other material terms.

Upon completion of the Disposal, the Shareholders Agreement (together with the Call Option and the Put Option (as defined and described in the Company’s announcement dated 24 March 2022, available at [www.hkexnews.hk](http://www.hkexnews.hk))) will terminate.

**INFORMATION ABOUT THE PARTIES**

*Target and Grown Alchemist*

Target is an investment holding company that does not have any operations other than holding interests in Grown Alchemist. As at the date of this announcement, aside from the Company, the other beneficial owners of the Target are Purchaser and the Remaining Shareholders. Aside from Purchaser (which is controlled by Mr. André Hoffmann, an executive director of the Company) and Mr. Séan Harrington (who is director of the Company), the other Remaining Shareholders are independent third parties of the Company.

Grown Alchemist, including its subsidiaries, is an Australian based skin-care brand that creates a range of skincare and beauty products and focuses on clean and scientifically innovative body care in the consumer skin-care space. As at the date of this announcement, Grown Alchemist is held by the Company as to 35% and by Target as to 65%.

The financial information of Grown Alchemist on a consolidated basis for FY2022 and FY2023 (based on the unaudited management accounts of Grown Alchemist) are as follows:

	<b>For the 2022 financial year EUR</b>	<b>For the 2023 financial year EUR</b>
Net loss before and after tax	276,000	4,344,000

The book value (being the liabilities) of Grown Alchemist as at 31 December 2023 is EUR896,000.

## ***The Group***

The Group is an international group that manufactures and retails beauty and well-being products that are rich in natural and organic ingredients. As a global leader in the premium beauty market, the Group has more than 3,000 retail outlets, including approximately 1,300 owned stores, and is present in 90 countries. Through its brands — L'OCCITANE en Provence, Melvita, Erborian, L'OCCITANE au Brésil, LimeLife by Alcone, ELEMIS, Sol de Janeiro and Dr. Vranjes Firenze — the Group offers new and extraordinary beauty experiences, using high quality products that respect nature, the environment and the people who surround it.

## ***Purchaser***

Purchaser is a controlled corporation of Mr. André Hoffmann, an executive director of the Company. Accordingly, Purchaser is a connected person of the Company at the issuer level. As at the date of this announcement, Purchaser holds 20.85% and 4.90% of the equity interest and voting rights, respectively, in Target.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company acquired Target because it considered Grown Alchemist to be a potential strategic fit for the Group, envisioning the brand as complementing the Group's other brands in beauty, skincare, and wellness. Since its initial acquisition, and considering changing global economic and market conditions and the material growth of other brands within its portfolio, the Company is in the process of adjusting its strategy. Accordingly, as part of this adjustment of strategy, the Company believes that the Disposal would help the Company focus its resources and attention on its core brand L'OCCITANE en Provence, and accelerate the dynamic growth of its other brands, which would in turn help improve the Group's overall financial performance.

Purchaser has expressed a strong interest in taking over Grown Alchemist due to the growth potential inherent in the strong brand identity, award-winning and high performance products, sustainable and natural credentials. Purchaser sees its acquisition of Grown Alchemist as an opportunity for the brand to gain more strategic flexibility and autonomy outside of a listed group. Operating as a private company with a distinctive investment strategy as well as an independent management team that would be fully dedicated to the growth ambitions of this brand, Growth Alchemist will enjoy more business flexibility pursuing custom activation strategies, particularly with regards to its unique partnerships with lifestyle and music brands.

Accordingly, each of the Company and the Purchaser views the Disposal to be a beneficial move for itself, consistent with its growth strategy.

## **NET PROCEEDS**

The Company currently expects to record a gain on the Disposal of approximately EUR10,500,000 corresponding to accounting effects over minority shareholders repurchasing occurring over the fiscal year. Excluding this accounting effect, the gain on the disposal is approximately nil.

## **CONFIRMATION OF THE DIRECTORS**

The directors, including the independent non-executive directors, of our Company, have confirmed that the terms of the Disposal Agreement are fair and reasonable, and the Disposal is on normal commercial terms (or better for the Company) and in the ordinary and usual course of business and in the best interest of the Company and its shareholders as a whole.

Aside from Mr. André Hoffmann and Mr. Séan Harrington, executive directors of the Company, who control economic and voting rights in the Target, none of the Company's other directors has any material interest in the Disposal. Mr. André Hoffmann and Mr. Séan Harrington have abstained from voting on the board resolutions approving the Disposal Agreement and the transactions contemplated thereunder. Aside from Mr. André Hoffmann and Mr. Séan Harrington, none of the other directors of the Company are required to abstain, or have abstained, from voting on the board resolutions approving the Disposal Agreement and the transactions contemplated thereunder.

## IMPLICATIONS UNDER THE LISTING RULES

Purchaser is an associate of Mr. André Hoffmann, a director of the Company, and accordingly, the Disposal constitutes a connected transaction of the Company. As the highest relevant applicable percentage ratio, calculated in accordance with Rule 14.07 of the Listing Rules, is between 0.1% and 5%, the Disposal is subject to reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

**Given that closing of the transaction documents and underlying transaction have not yet taken place, the transaction contemplated in this announcement may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Company's shares.**

“Board”	the board of directors of the Company
“Company”	L'Occitane International S.A., a company incorporated in Luxembourg with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00973)
“Disposal”	disposal of the Target Interest by the Company to the Purchaser, as further described in this announcement
“Disposal Agreement”	agreement governing the Disposal, as further described in this announcement
“FY”	financial year ended 31 March
“Group”	the Company and its subsidiaries
“Grown Alchemist”	Group Fourteen Holdings Pty. Ltd., a company incorporated in Australia with limited liability, and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	Lavender Investments Limited, 36/F Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
“Remaining Shareholders”	the shareholders of Target (other than the Company and the Purchaser), being Mr. Séan Harrington, an executive director of the Company (holding as to 4.90% voting rights in Target), and five other individual independent third parties
“Target”	14 Groupe S.A., a company incorporated in Luxembourg with limited liability
“Target Interests”	all of the interests held by the Company in the Target and Grown Alchemist, which include 49.24% of Target and 100% of Grown Alchemist

By order of the Board of  
**L'Occitane International S.A.**  
**Reinold Geiger**  
Chairman

Luxembourg, 2 April 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Reinold Geiger (Chairman), Mr. André Hoffmann, Mr. Laurent Marteau (Chief Executive Officer), Mr. Karl Guénard (Company Secretary) and Mr. Séan Harrington (Chief Executive Officer of ELEMIS); the non-executive director of the Company is Mr. Thomas Levilion; and the independent non-executive directors of the Company are Mrs. Christèle Hiss Holliger, Mr. Charles Mark Broadley, Ms. Betty Liu and Mr. Jackson Chik Sum Ng.*